

# **Filing Claims for Refund of Sales or Use Tax**

**Includes information on:**

- **Who may file claims for refund**
- **Which form to use**
- **Time limitations for filing**
- **Interest**
- **Penalties**

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**IMPORTANT CHANGES**

**Form ST-12X, Amended Wisconsin Sales and Use Tax Return**, has been discontinued. A claim for refund may be filed using Form ST-12, *Wisconsin Sales and Use Tax Return*, as an amended return. See page 3.

**Office Closings.** Due to budget constraints, several Department of Revenue offices have been closed. See page 11 for a list of offices providing customer service.

**I. INTRODUCTION**

This publication explains who may file a claim for refund of Wisconsin state, county, and stadium sales or use tax. It also includes information relating to forms, time limitations for filing, interest, and penalties.

**CAUTION**

The information in this publication reflects interpretations by the Wisconsin Department of Revenue of laws enacted by the Wisconsin Legislature as of February 1, 2003. Laws enacted after that date, new administrative rules, and court decisions may change the interpretations in this publication.

For purposes of this publication, the following definitions apply:

“Seller” means a person selling, leasing, or renting tangible personal property or selling, performing, or furnishing services.

“Buyer” means a person who acquires possession, ownership, enjoyment, or use of tangible personal property or services for a consideration.

A person may be a buyer in some transactions and a seller in other transactions.

**II. WHO MAY FILE CLAIMS FOR REFUND****A. Sellers**

A seller may file a claim for refund of sales or use taxes paid in error to the Department of Revenue.

**Caution:** *If tax was collected from buyers, the seller **must** return the tax **and** related interest refunded by the Department of Revenue, to the buyers from whom the tax was collected. If a seller is unable to return the tax and interest to the buyers, the seller must return the refund to the Department of Revenue. Failure to return the tax and related interest to the buyer or the Department of Revenue may result in a penalty of 25% of the amount not returned if due to negligence or 100% of the amount not returned if due to fraud.*

**B. Buyers**

**1. Tax Paid to Department of Revenue:** A buyer may file a claim for refund of use tax the buyer paid in error to the Department of Revenue.

*Example:* A manufacturer (buyer) purchased equipment for \$50,000 from an out-of-state seller. The seller did not charge sales tax to the buyer on the equipment.

On a consumer use tax return, the buyer reported and paid \$2,500 of use tax to the Department of Revenue on the equipment. At a later date, the buyer realized that its purchase of the equipment qualified for exemption from sales and use tax since it is used exclusively and directly by the buyer in manufacturing.

The manufacturer (buyer) may file a claim for refund with the Department of Revenue for the \$2,500 of use tax paid in error to the Department of Revenue.

**2. Tax Paid to a Seller:**

A buyer may file a claim for refund of sales and use tax paid in error to a seller under any of the following four conditions:

- a. The claim for refund totals \$50 or more of tax.

“\$50 or more of tax” means that the total tax relating to all transactions contained in the claim for refund filed with the Department of Revenue is \$50 or more.

*Example:* Buyer A erroneously paid \$40 of sales tax to Seller B and \$30 of sales tax to Seller C. Buyer A may file a claim for refund with the Department of Revenue for the \$70 of overpaid sales tax.

**Important:** For conditions (b), (c), and (d) below, the \$50 requirement [as in condition (a) above] does *not* apply.

- b. Seller has ceased operating business.

If at the time of filing the claim the seller has ceased business, the buyer may file a claim for refund with the Department of Revenue.

*Example:* Buyer D erroneously paid \$45 of sales tax to Seller E in January 2000. In April 2002, Seller E terminated the business. Buyer D may file a claim for refund with the Department of Revenue for the \$45 of overpaid sales tax.

If the buyer also paid sales or use tax in error to sellers who have *not* ceased business, only the seller may file a claim for refund with the Department of Revenue for such tax, unless the buyer meets one of the other conditions described in (a), (c), or (d).

- c. Buyer is being field audited.

If a buyer being field audited by the Department of Revenue paid sales or use tax in error to sellers or to the Department of Revenue, the buyer may file a claim for refund with the Department of Revenue.

*Example:* Buyer F is being field audited for the period of January 1998 through

December 2001. Buyer F erroneously paid \$1,000 of sales tax to Seller G in November 2001.

While Buyer F is being field audited, Buyer F may file a claim for refund for the \$1,000 of sales tax erroneously paid in November 2001. The auditor will include this overpayment in the audit determination.

- d. Periods covered in the claim for refund are within the statute of limitations for buyer, but are closed to seller.

*Example:* In September 2002, Buyer H discovers that it erroneously paid sales tax to Seller I in March 1998. Seller I reported the sales tax on its March 1998 sales and use tax return and paid the tax to the Department of Revenue in April 1998.

Seller I files its Wisconsin corporate franchise tax return on a fiscal year basis, with its fiscal year ending April 30. Buyer H files its Wisconsin corporate franchise tax return on a calendar year basis.

The statutory deadline for Seller I to file a claim expired on July 15, 2002, which is four years from the unextended due date (that is, July 15, 1998) of its corporate franchise tax return for the period of May 1, 1997 through April 30, 1998.

Buyer H may file a claim for refund of tax it paid to Seller I in March 1998. Buyer H must file this claim by March 15, 2003, which is four years from the unextended due date (that is, March 15, 1999) of Buyer H's 1998 corporate franchise tax return.

**Note:** If the buyer also paid sales or use tax to sellers in error which pertains to a period which is within the statute of limitations for both the buyer and seller, only the seller may file a claim for refund with the De-

partment of Revenue for such tax, unless the buyer meets one of the other conditions described in (a), (b), or (c).

### III. WHICH FORM TO USE

#### A. Sellers

Sellers claiming a refund of sales or use tax paid to the Department of Revenue may use Form ST-12, *Wisconsin Sales and Use Tax Return*, as an amended return. Form ST-12 is available from any Department of Revenue office or on-line, at [www.dor.state.wi.us](http://www.dor.state.wi.us).

In lieu of Form ST-12, a seller may file a claim for refund by sending a letter to the Department of Revenue. Claims submitted in this manner must indicate the claimant's name and address, seller's tax account number, amount of the claim, reporting period for which the overpayment was made, and reason for the claim. A chronological listing of all invoices included in the claim and copies of applicable exemption certificates received from buyers should be attached to the letter.

Refer to page 6 of the instructions for Form ST-12, available from any Department of Revenue office or on-line at [www.dor.state.wi.us](http://www.dor.state.wi.us), for more information on how to use Form ST-12 as an amended return to file a claim for refund. Amended returns should be sent to: Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906.

#### B. Buyers

##### 1. Tax Paid to a Seller:

Buyers claiming a refund of sales or use tax paid to a seller are required to use Form S-220, *Buyer's Claim for Refund of Wisconsin State, County, and Stadium Sales Taxes*, which is available from any Department of Revenue office. (See page 12 for a copy of Form S-220.)

##### 2. Tax Paid to Department of Revenue:

Buyers claiming a refund of use tax paid directly to the Department of Revenue may use Form ST-12.

In lieu of Form ST-12, a buyer may file a claim for refund by sending a letter to the Department of Revenue. The letter must indicate the claimant's name and address, tax account number, amount of the claim, reporting period for which the overpayment was made, and reason for the claim. A chronological listing of all invoices included in the claim should be attached to the letter.

Refer to page 6 of the instructions for Form ST-12, available from any Department of Revenue office or on-line at [www.dor.state.wi.us](http://www.dor.state.wi.us), for more information on how to use Form ST-12 as an amended return to file a claim for refund. Amended returns should be sent to: Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906.

##### 3. Tax Paid to Another State Agency:

Buyers claiming a refund of use tax paid to another state agency, such as the Department of Transportation (DOT) or the Department of Natural Resources (DNR), may submit their request directly to: Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906.

The written request should include the following:

- A description of the transaction and reason for the refund;
- A copy of the application that the buyer originally completed (for example, a Form MV1, *Wisconsin Title & License Plate Application*); and
- A copy of the cancelled check (if available).

*Example:* Buyer X purchased an automobile from a private party. When registering the automobile with DOT, Buyer X overpaid the use tax by \$200. Buyer X may request a refund of the overpayment in tax from the Department of Revenue by sending a written request, including an explanation, a copy of the original

Form MV1, and the cancelled check verifying payment.

## IV. TIME LIMITATIONS FOR FILING

A claim for refund of a buyer or seller that is mailed is timely filed (1) if it is mailed in a properly addressed envelope with the postage duly prepaid, (2) if the envelope is postmarked before midnight of the last day of the limitation period, and (3) if the claim for refund is received by the Department of Revenue within five days after the last day of the limitation period.

**Note:** For purposes of this publication, a “determination” means the net result (that is, refund or tax due) of a Department of Revenue audit. For example, the Department of Revenue may audit a claim for refund and find additional tax and interest due on unreported purchases of tangible personal property. If the refund claimed, including interest, is greater than the amount of tax and interest due, the net result is a refund. The taxpayer may file a claim for refund regarding the tax paid (that is, assessed during audit and offset against refund) within two years of that refund determination, as long as the taxpayer did not file of petition for redetermination.

### A. Sellers

As indicated in Parts IV.A.1 to 4 on pages 4-6, the time limitations for a seller to file a claim for refund of sales or use tax depend on whether the seller was audited by the Department of Revenue for the period of the claim.

#### 1. *Claims for Refund — No Office Audit Determination Was Made for the Transaction and No Field Audit Determination Was Made for Period of the Claim*

If the transaction in the claim for refund (1) was not included in a prior office audit determination and (2) was not in the periods or years included in a prior field audit determination (neither (1) nor (2) occurred), claims for refund may be filed as follows:

- Within four years after the unextended due date of the seller’s Wisconsin income or franchise tax return, or,

- If exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year.

*Example:* Seller J, an individual, overpaid sales tax to the Department of Revenue on her January 2002 sales and use tax return. The unextended due date of Seller J’s 2002 income tax return is April 15, 2003.

Seller J has until April 15, 2007 to file a claim for refund for the overpaid sales tax reported on her January 2002 sales and use tax return.

#### 2. *Claims for Refund — Office Audit Determination Was Made for the Transaction*

Claims for refund of the tax assessed by an office audit may be filed within two years of the issuance of the notice of determination of sales or use tax assessed by office audit, if the seller paid the tax and the tax was not protested by filing a petition for redetermination.

*Example:* In an office audit determination dated and issued July 15, 2001, the Department of Revenue assessed Seller K \$800 of sales tax on equipment Seller K sold to Buyer L in June 1999. Seller K paid the \$800 of sales tax on July 31, 2001, and did not file a petition for redetermination.

In January 2002, Buyer L provides Seller K with an exemption certificate, claiming the manufacturing exemption on the equipment.

Seller K has until July 15, 2003 (two years from the date the notice of office audit determination was issued) to file a claim for refund with the Department of Revenue for the \$800 of tax, since the overpaid tax was part of the July 15, 2001 office audit determination.

### 3. *Claims for Refund — Field Audit Determination Was Made for Period of Claim*

If the transaction occurred during the period or years included in a prior field audit determination, the time limitations for filing a claim for refund for such transaction are as follows:

#### a. **Transaction Not Assessed in Field Audit Determination**

##### 1) *Field Audit Not Appealed to Department's Resolution Unit*

Seller has until the earliest of the following to file a claim for refund:

- Four years from the unextended due date of the seller's income or franchise tax return or if exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or date extended by waiver under sec. 77.59(3m), Wis. Stats. (2001-02)).
- Date the amount of the notice of determination is paid.
- 60 days after the date the seller received the notice of determination.

##### 2) *Field Audit Determination Appealed to the Department's Resolution Unit, But Not to Wisconsin Tax Appeals Commission*

Seller has until the earliest of the following to file a claim for refund:

- Four years from the unextended due date of the seller's income or franchise tax return or if exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or date extended by waiver under

sec. 77.59(3m), Wis. Stats. (2001-02)).

- Date the amount of the notice of determination is paid (this does not include deposits of tax under sec. 77.59(6)(c), Wis. Stats. (2001-02), while appeal is pending).
- 60 days after the date the seller received the Resolution Unit's notice of redetermination.

##### 3) *Seller Appeals Field Audit Determination to Wisconsin Tax Appeals Commission or Court*

Seller has until the earliest of the following to file a claim for refund:

- Four years from the unextended due date of the seller's income or franchise tax return or if exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or date extended by waiver under sec. 77.59(3m), Wis. Stats. (2001-02)).
- Date the amount of the notice of determination is paid (this does not include deposits of tax under sec. 77.59(6)(c), Wis. Stats. (2001-02), while appeal is pending).
- 60 days after the date the seller received the Resolution Unit's notice of redetermination, even though seller files the appeal with the Wisconsin Tax Appeals Commission before the 60 days have expired.

#### b. **Transaction Assessed in Field Audit Determination**

Claims for refund of the tax assessed by a field audit may be filed within two years of the issuance of the notice of determination of sales or use tax assessed by field audit, if the seller paid the tax and the tax was not

protested by filing a petition for redetermination.

*Example:* Seller O is field audited by the Department of Revenue for the period January 1997 through December 2000, and is assessed \$5,000 of sales tax on sales made by Seller O. The notice of determination is dated and issued April 5, 2001.

Seller O pays the \$5,000 of sales tax on April 20, 2001, and does not file a petition for redetermination.

Seller O has until April 5, 2003, to file a claim for refund with the Department of Revenue for all or part of the \$5,000 of sales tax assessed.

#### **4. *Claims for Refund — A Field Audit Determination Was Made and Customer Files Valid Claim With Seller***

Even though a seller has been field audited, claims for refund may be filed within four years after the unextended due date of the seller's Wisconsin income or franchise tax return, or if exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year, if the seller's customers have filed valid claims for refund with the seller.

*Example:* Seller Q, a sole proprietor, is field audited by the Department of Revenue for the period January 1997 through December 1998. Seller Q is assessed \$2,000 of use tax on equipment purchased by Seller Q from vendors located outside Wisconsin. The notice of field audit determination is dated and issued June 10, 2001. Seller Q does not file a petition for redetermination.

Seller Q files its income tax return on a calendar year basis.

In November 2003, Seller Q receives a request from a church for a refund of \$500 of sales tax which it charged to the church on

landscaping services provided by Seller Q in July 1999. The church has provided Seller Q with its certificate of exempt status number. Seller Q reported the \$500 of tax on its July 1999 sales and use tax return.

Since Seller Q reported the \$500 of tax on its July 1999 sales and use tax return, Seller Q has until April 15, 2004 (four years from the unextended due date of its 1997 income tax return), to file a refund claim with the Department of Revenue for the \$500 of sales tax.

## **B. Buyers**

As indicated in Part IV.B. on pages 6-9, the time limitations for a buyer to file a claim for refund of sales or use tax depend on whether the buyer was audited by the Department of Revenue for the period of the claim.

### **Tax Paid to the Department of Revenue:**

#### **1. *Claims for Refund — No Office Audit Determination Was Made for the Transaction and No Field Audit Determination Was Made for Period of the Claim***

If the transaction in the claim for refund (1) was not included in a prior office audit determination and (2) was not in the periods or years included in a prior field audit determination (neither (1) nor (2) occurred), claims for refund may be filed as follows:

- Within four years after the unextended due date of the buyer's Wisconsin income or franchise tax return, or,
- If exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or date extended by waiver under sec. 77.59(3m), Wis. Stats. (2001-02)).

*Example:* Buyer J, an individual, overpaid use tax to the Department of Revenue on its January 2001 sales and use tax return. The unextended due date of Buyer J's 2001 income tax return is April 15, 2002.

Buyer J has until April 15, 2006 to file a claim for refund for the overpaid use tax reported on the January 2001 sales and use tax return.

## 2. *Claims for Refund — Office Audit Determination Was Made for the Transaction*

Claims for refund of the tax assessed by an office audit may be filed within two years of the issuance of the notice of determination of sales or use tax assessed by office audit, if the buyer paid the tax and the tax was not protested by filing a petition for redetermination.

*Example:* In an office audit determination dated and issued July 15, 2001, the Department of Revenue assessed Buyer K \$800 of use tax on equipment Buyer K purchased in June 1999. Buyer K paid the \$800 of use tax on July 31, 2001, and did not file a petition for redetermination.

Buyer K has until July 15, 2003 (two years from the date the notice of office audit determination was issued) to file a claim for refund with the Department of Revenue for the \$800 of tax, since the tax was part of the July 15, 2001 office audit determination.

## 3. *Claims for Refund — Field Audit Determination Was Made for Period of Claim*

If the transaction occurred during the period or years included in a prior field audit determination, the time limitations for filing a claim for refund for such transaction are as follows:

### a. **Transaction Not Assessed in Field Audit Determination**

#### 1) *Field Audit Not Appealed to Department's Resolution Unit*

Buyer has until the earliest of the following to file a claim for refund:

- Four years from the unextended due date of the buyer's income or franchise tax return or if exempt

from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or date extended by waiver under sec. 77.59(3m), Wis. Stats. (2001-02)).

- Date the amount of the notice of determination is paid.
- 60 days after the date the buyer received the notice of determination.

#### 2) *Field Audit Determination Appealed to the Department's Resolution Unit, But Not to Wisconsin Tax Appeals Commission*

Buyer has until the earliest of the following to file a claim for refund:

- Four years from the unextended due date of the buyer's income or franchise tax return or if exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or date extended by waiver under sec. 77.59(3m), Wis. Stats. (2001-02)).
- Date the amount of the notice of determination is paid (this does not include deposits of tax under sec. 77.59(6)(c), Wis. Stats. (2001-02), while appeal is pending).
- 60 days after the date the buyer received the Resolution Unit's notice of redetermination.

#### 3) *Buyer Appeals Field Audit Determination to Wisconsin Tax Appeals Commission or Court*

Buyer has until the earliest of the following to file a claim for refund:

- Four years from the unextended due date of the buyer's income or franchise tax return or if exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or date extended by waiver under sec. 77.59(3m), Wis. Stats. (2001-02)).
- Date the amount of the notice of determination is paid (this does not include deposits of tax under sec. 77.59(6)(c), Wis. Stats. (2001-02), while appeal is pending).
- 60 days after the date the buyer received the Resolution Unit's notice of redetermination, even though the buyer files the appeal with the Wisconsin Tax Appeals Commission before the 60 days have expired.

**b. Transaction Assessed in Field Audit Determination**

Claims for refund of the tax assessed by a field audit may be filed within two years of the issuance of the notice of determination of sales or use tax assessed by field audit, if the buyer paid the tax and the tax was not protested by filing a petition for redetermination.

*Example:* Buyer O is field audited by the Department of Revenue for the period January 1998 through December 2001, and is assessed \$5,000 of use tax on purchases made. The notice of determination is dated and issued April 5, 2002.

Buyer O pays the \$5,000 of use tax on April 20, 2002, and does not file a petition for redetermination.

Buyer O has until April 5, 2004, to file a claim for refund with the Department of Revenue for all or part of the \$5,000 of use tax assessed.

**Tax Paid to Seller:**

**1. Claims for Refund — No Field Audit Determination Was Made for Period of the Claim**

If the transaction in the claim for refund was not in the periods or years included in a prior field audit determination, claims for refund may be filed as follows:

- Within four years after the unextended due date of the buyer's Wisconsin income or franchise tax return, or,
- If exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or date extended by waiver under sec. 77.59(3m), Wis. Stats. (2001-02)).

*Example:* Buyer J, an individual, overpaid sales tax of \$100 to Seller K in January 2001. The unextended due date of Buyer J's 2001 income tax return is April 15, 2002.

Buyer J has until April 15, 2006 to file a claim for refund for the overpaid sales tax paid to Seller K in January 2001.

**2. Claims for Refund — Field Audit Determination Was Made for Period of Claim**

If the transaction occurred during the period or years included in a prior field audit determination, the time limitations for filing a claim for refund for such transaction are as follows:

**a. Field Audit Not Appealed to Department's Resolution Unit**

Buyer has until the earliest of the following to file a claim for refund:

- Four years from the unextended due date of the buyer's income or franchise tax return or if exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or

- date extended by waiver under sec. 77.59(3m), Wis. Stats. (2001-02)).
- Date the amount of the notice of determination is paid.
- 60 days after the date the buyer received the notice of determination.

**b. Field Audit Determination Appealed to the Department's Resolution Unit, But Not to Wisconsin Tax Appeals Commission**

Buyer has until the earliest of the following to file a claim for refund:

- Four years from the unextended due date of the buyer's income or franchise tax return or if exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or date extended by waiver under sec. 77.59(3m), Wis. Stats. (2001-02)).
- Date the amount of the notice of determination is paid (this does not include deposits of tax under sec. 77.59(6)(c), Wis. Stats. (2001-02), while appeal is pending).
- 60 days after the date the buyer received the Resolution Unit's notice of redetermination.

**c. Buyer Appeals Field Audit Determination to Wisconsin Tax Appeals Commission or Court**

Buyer has until the earliest of the following to file a claim for refund:

- Four years from the unextended due date of the buyer's income or franchise tax return or if exempt from filing Wisconsin income or franchise tax returns, within four years of the 15th day of the 4th month of the year following the close of the calendar or fiscal year (or date extended by waiver under sec. 77.59(3m), Wis. Stats. (2001-02)).

- Date the amount of the notice of determination is paid (this does not include deposits of tax under sec. 77.59(6)(c), Wis. Stats. (2001-02), while appeal is pending).
- 60 days after the date the buyer received the Resolution Unit's notice of redetermination, even though the buyer files the appeal with the Wisconsin Tax Appeals Commission before the 60 days have expired.

**V. INTEREST**

When sales or use tax is refunded, interest at 9% per year is paid with the refund, computed as follows:

**A. Refunded to Seller**

The period for which interest is computed begins on the unextended due date of the seller's sales and use tax return for the period in which the sale was made, and ends on the date the refund is paid.

*Example:* On July 15, 2001, Seller U files its June 2001 sales and use tax return, and pays the tax due of \$500 reported on the return. The unextended due date of Seller U's June 2001 sales and use tax return is July 31, 2001.

Subsequently, Seller U determines that it over-reported its gross receipts on its June 2001 sales and use tax return, resulting in a \$100 overpayment of sales tax.

On August 20, 2002, Seller U files a claim for refund for the \$100 of overpaid sales tax. The Department of Revenue pays the refund to Seller U on October 31, 2002.

The period for which interest is computed is July 31, 2001 to October 31, 2002 (15 months). The interest portion of the refund is computed as follows:

$$\frac{15 \text{ months}}{12 \text{ months}} \times .09 \times \$100 = \$11.25$$

**B. Refunded to Buyer**

- 1. Tax Paid to Department** — The period for which interest is computed begins on the unextended due date of the buyer's sales and use tax return (or the buyer's consumer use tax return) for the period in which the purchase was made, and ends on the date the refund is paid.

*Example:* On January 22, 2002, Buyer V files its December 2001 sales and use tax return. The unextended due date of Buyer V's December 2001 sales and use tax return is January 31, 2002.

Subsequently, Buyer V determines that it overpaid its use tax by \$500 and files a claim for refund with the Wisconsin Department of Revenue for the \$500 of overpaid use tax. The Department of Revenue pays the refund to Buyer V on September 30, 2002.

The period for which interest is computed is January 31, 2002 to September 30, 2002 (eight months). The interest portion of the refund is computed as follows:

$$\frac{8 \text{ months}}{12 \text{ months}} \times .09 \times \$500 = \$30$$

- 2. Tax Paid to Seller** — Interest is computed from the last day of the month following the month in which the tax was paid by the buyer to the seller, to the date the refund is paid.

*Example:* On September 15, 2001, Buyer W pays \$1,000 of sales tax to Seller X on a purchase of equipment.

Subsequently, Buyer W determines that the equipment purchased qualifies for exemption from sales and use tax. On December 10, 2001, Buyer W files a claim for refund with the Wisconsin Department of Revenue for the \$1,000 of sales tax. The Department of Revenue pays the refund to Buyer W on March 31, 2002.

Since Buyer W paid the tax to Seller X in September 2001, the period for which in-

terest is computed is October 31, 2001 (the last day of the month following the month in which the tax was paid by the buyer to the seller) to March 31, 2002 (five months). The interest portion of the refund is computed as follows:

$$\frac{5 \text{ months}}{12 \text{ months}} \times .09 \times \$1,000 = \$37.50$$

**VI. PENALTIES****A. Incorrect Claim for Refund**

*Negligence Penalty:* A buyer or seller who negligently files an incorrect and excessive claim for a refund of sales or use tax is subject to a penalty of 25% of the difference between the amount claimed and the amount that should have been claimed.

*Fraud Penalty:* A buyer or seller who fraudulently files an incorrect claim for a refund of sales or use tax is subject to a penalty of 100% of the difference between the amount claimed and the amount that should have been claimed.

**B. Failure to Return Tax to Buyer or Department**

*Negligence Penalty:* If a seller is refunded tax and interest by the Department of Revenue for tax collected from a buyer, and the seller fails to return the tax and related interest to the buyer or the department due to negligence, the seller is subject to a penalty of 25% of the amount not returned.

*Fraud Penalty:* If a seller is refunded tax and interest by the Department of Revenue for tax collected from a buyer, and the seller fails to return the tax and related interest to the buyer or the department due to fraud, the seller is subject to a penalty of 100% of the amount not returned.

**VII. OTHER****A. Buyer and Seller May Not Both Obtain Refunds of Tax**

Refunds will not be allowed to both the buyer and seller for the tax on the same transaction. If refund claims for the same transaction are filed by both the

seller and buyer, and both claims are approved by the Department of Revenue, the Department of Revenue will decide whether the buyer or seller will receive the refund.

## **B. Offsetting a Refund Against Any Debts**

The Department of Revenue may offset a sales or use tax refund against any delinquent taxes and unpaid child support or maintenance owed by the buyer or seller who filed the claim for refund.

## **C. Department of Revenue to Act on Claim**

A claim for refund shall be regarded as a request for determination. The determination shall be made by the department within one year after the claim for refund is received by the department, unless the buyer or seller making the claim has consented in writing to an extension of the one-year time period prior to its expiration.

# **VIII. IF YOU HAVE QUESTIONS**

If you have a question about sales and use taxes, write to the department in Madison or call or visit any department office.

Write . . .      Wisconsin Department of Revenue  
                     Mail Stop 5-77  
                     P.O. Box 8902  
                     Madison, WI 53708-8902

Fax . . .      (608) 267-1030

E-Mail . . .      [sales10@dor.state.wi.us](mailto:sales10@dor.state.wi.us)

Visit our website . . .      [www.dor.state.wi.us](http://www.dor.state.wi.us)

Call Or Stop In . . .

## **Offices Providing Daily Assistance (Monday-Friday)**

<b>Location</b>	<b>Address</b>	<b>Telephone</b>
Appleton	265 W. Northland	(920) 832-2727
Eau Claire	718 W. Clairemont	(715) 836-2811
Madison	2135 Rimrock Rd.	(608) 266-2776
		TTY (608) 267-1049
Milwaukee	819 N. Sixth St.	(414) 227-4444
		TTY (414) 227-4147

The offices providing assistance daily are open 7:45 a.m. to 4:30 p.m. The offices listed below are open on Monday only from 7:45 a.m. to 1:00 p.m., although offices in Green Bay, Kenosha, Racine, and Waukesha are open on additional mornings.

## **Offices Providing Assistance on Mondays Mornings Only**

Baraboo	1000 Log Lodge Ct.	(608) 356-8973
Beaver Dam	220 Seippel Blvd.	(920) 356-6090
Elkhorn	715 W. Walworth St.	(262) 723-4098
Fond du Lac	845 S. Main St.	(920) 929-3985
Grafton	1930 Wisconsin Ave.	(262) 375-7948
Green Bay	200 N. Jefferson St.	(920) 448-5179
Hayward	100 Ranch Road	(715) 634-8478
Hudson	100 O'Neil Rd., Ste 200	(715) 381-5060
Janesville	101 E. Milwaukee	(608) 758-6190
Kenosha	4003 80th St.	(262) 697-5860
La Crosse	620 Main St.	(608) 785-9720
Lancaster	130 W. Elm	(608) 723-2641
Marinette	1926 Hall Ave.	(715) 732-7565
Oshkosh	515 S. Washburn	(920) 424-2100
Racine	616 Lake Ave.	(262) 638-7500
Rhineland	203 Schiek Plaza	(715) 365-2666
Rice Lake	11 E. Eau Claire St.	(715) 234-7889
Sheboygan	807 Center Ave.	(920) 459-3101
Superior	1225 Tower Ave.	(715) 392-7985
Tomah	203 E. Clifton St.	(608) 372-3256
Waukesha	141 NW Barstow	(262) 521-5310
Wausau	710 Third St.	(715) 842-8665
Wisconsin Rapids	830 Airport Ave.	(715) 421-0500

## BUYER'S CLAIM FOR REFUND OF WISCONSIN STATE, COUNTY, AND STADIUM SALES TAXES

A buyer may use this form to request a refund of state, county, and stadium (baseball and football) sales tax paid in error to a seller, if the claim for refund totals \$50 or more of tax.

If the claim for refund totals less than \$50 of tax and one or more of the following conditions applies, the buyer may use this form to request a refund:

- The seller has ceased operating business,
- The buyer is being field audited, or
- The periods covered in the claim for refund are within the statute of limitations for the buyer and are closed to the seller.

### CAUTION – Do not use this form:

- To claim a refund of tax you paid directly to the Wisconsin Department of Revenue.
- If the claim for refund totals less than \$50 of tax, and none of the above conditions apply. The buyer must request the refund from the seller.

The information requested in Section 2 must be provided for each invoice included in your claim.

The Department may request a copy of the invoice and proof of payment of sales tax upon audit of the claim. Proof of payment (copy of front and back of canceled check) and a copy of the invoice may be included with the claim to avoid further requests from the Department.

After you have completed Section 2, Schedule of Purchases, have the seller complete Section 3. If the seller is no longer in business or cannot be located, provide any known information about the seller with your claim.

If your claim includes a refund of sales tax paid to more than one seller, you must attach separate Sections 2 and 3 for each seller and summarize your total refund claim in Section 1 below.

SECTION 1 – CLAIM INFORMATION				
<b>CLAIMANT (Buyer)</b> <i>PLEASE PRINT OR TYPE</i>				
Name			Federal I.D. Number (FEIN)	
Address			Social Security Number	
City	State	Zip	Claimant's Permit or Certificate Number, If Any (Seller's Permit, Use Tax or Consumer's Use Tax Certificate, or Certificate of Exempt Status Number – <i>please specify</i> )	
Telephone Number (      Area Code      )      –		Best Time to Call (Weekdays, Daytime Hours)		
This refund is for sales tax paid during the period _____ to _____				
<b>INDICATE THE TOTAL AMOUNT OF REFUND YOU ARE REQUESTING</b> \$ _____				
Under penalties of law, I declare that the amount of sales tax for which I am submitting this claim for refund has NOT been refunded or credited to me by the department or the seller to whom the tax was previously paid. I will immediately send payment for any such duplicate refund to the Wisconsin Department of Revenue; PO Box 8902; Madison, WI 53708-8902.				
Print Your Name			Title	
Signature of Claimant (Buyer)			Date	

## SECTION 2 – SCHEDULE OF PURCHASES

## IMPORTANT

Complete a separate Schedule of Purchases for each seller. List only those purchases for which you are claiming exemption. If the total amount you paid to the seller does not equal the total purchase price, include an explanation. Attach an additional sheet if necessary.

[illegible]

## SECTION 3 – SELLER INSTRUCTIONS

On the previous pages of this claim your customer has entered information concerning transactions for which they are claiming a refund of sales tax from the Department of Revenue. Please examine the Schedule of Purchases (Section 2). If you have not previously received or requested a refund of the sales tax listed on the schedule (Columns 7-10), and have not credited your customer for the tax, complete the information boxes below, sign the statement, and return it to your customer. This statement will be submitted to the Department of Revenue with your customer's claim.

### THIS PORTION IS TO BE COMPLETED BY THE SELLER

Seller: Please retain a copy for your records.

Seller's Legal Name	Wisconsin Seller's Permit or Use Tax Number
Seller's Business/Trade Name	SP- _____ UT- _____
Seller's Business Address	Telephone Number (      Area Code      ) _____
Buyer's Name	
<p>I declare under penalties of law that I have read and examined this document and attest to the fact that the items listed in the Schedule of Purchases in Section 2 were sold by me and that the proper sales tax and, where applicable, county and stadium tax, was charged and reported to the Wisconsin Department of Revenue. I, (the seller), have not requested a refund, taken credit on any sales tax return, and have not given the buyer credit for any sales tax listed on the Schedule of Purchases in Section 2 (Columns 7-10). I am authorized to sign this document.</p> <p>I further declare that I will not request a refund of tax for any other sales to this purchaser for any periods applicable to this claim, as set forth in Section 1.</p>	
Print Your Name	Title
Signature (Seller)	Date

***Please mail your refund claim to:***

Wisconsin Department of Revenue  
Sales Tax Refund Request  
Mail Stop 5-144  
PO Box 8906  
Madison WI 53708-8906

***Questions:***

Telephone: (608) 266-2776  
TDD: (608) 267-1049  
FAX: (608) 267-0834  
Website: [www.dor.state.wi.us](http://www.dor.state.wi.us)  
E-mail: [audforms@dor.state.wi.us](mailto:audforms@dor.state.wi.us)